UNITE HERE Local 40 Camp, Culinary and Non-aligned Employees PENSION PLAN

This Pension Plan summary is designed to acquaint you with the highlights of your Pension Plan as of January 1, 2008. It is intended as a general summary of your Plan; some details have been omitted to keep it brief and simple. **If there is any inconsistency between this summary and the Pension Plan Text, the terms of the Pension Plan Text and applicable Provincial and/or Federal Legislation shall prevail.** You may view the Plan Text and other documents of the Plan that pertain to you by contacting the Administration Office as noted below.

This Pension Plan information applies to all active Plan members as at January 1, 2008.

Pension Plan Registration Numbers:

Canada Revenue Agency Registration Number 0593970
BC Financial Institutions Commission Registration Number P085258

PENSION PLAN BOARD OF TRUSTEES

ASSISTANT PENSION PLAN ADMINISTRATOR:

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PENSION PLAN INDEX

DEFINITIONS

BENEFICIARY

The beneficiary is the person who, or estate which, receives any death benefit upon the death of a Plan member. Provincial legislation requires that if you have a spouse, your spouse must be designated as your beneficiary, unless he/she waives this right.

COMMUTED VALUE

The commuted value is the lump sum present value of the pension you earned under the Plan. If you were to put the commuted value in a RRSP and invest it until your retirement, the accumulated funds should provide you with the same pension you earned under the Plan for the remainder of your expected lifetime.

The calculation of the amount of the commuted value depends on the investment return assumed to be earned on the funds transferred from the Plan. The higher the assumed investment return, the lower the amount of the commuted value. Provincial pension regulations prescribe the level of investment return to be used in these calculations. The assumed return is based on the yield available from Government of Canada bonds.

CPI

The Consumer Price Index (CPI) is a statistical device that measures the change in the cost of living for consumers. It is used to illustrate the amount of inflation that has taken place.

CPP

The Canada Pension Plan (CPP) is a governmental pension plan that provides for benefits to workers and their families in the event of retirement, disability or death. CPP applies everywhere in Canada, with the exception of Quebec.

EARLY RETIREMENT AGE

The Early Retirement Age of this Pension Plan is fifty-five (55), 10 years earlier than age sixty-five (65), the Normal Retirement Age of this Pension Plan.

LIF

A Life Income Fund (LIF) is a type of RRIF under which the owner of the LIF must withdraw, each year, a minimum amount up to a maximum amount prescribed by the pension legislation.

LOCKED-IN RRSP

A locked-in Registered Retirement Savings Plan is a type of RRSP where the funds are subject to pension legislation. These funds must be used to purchase a life annuity or be transferred to a LIF by the end of the year during which the owner of the locked-in RRSP reaches age 71, at the latest.

LOCKING-IN

A member cannot withdraw the commuted value of their pension credits as a cash lump sum. The locked-in amount must be used to provide a monthly pension at retirement.

NORMAL RETIREMENT AGE (NRA)

The Normal Retirement Age with this Pension Plan is sixty-five (65).

OAS

Old Age Security (OAS) is a monthly pension paid to Canadians who are age 65 or over.

PORTABILITY

The legislated right to transfer vested and locked-in benefits to another registered retirement plan when the member leaves the service of his/her employer.

QPP

The Quebec Pension Plan (QPP) is a governmental pension plan that provides for benefits to workers and their families in the event of retirement, disability or death. QPP applies in Quebec. The QPP is similar to the CPP.

RRIF

A Registered Retirement Income Fund (RRIF) is an arrangement under which the owner of the RRIF must withdraw, each year, a minimum amount prescribed by the Income Tax Act (Canada).

SHORTENED LIFE EXPECTANCY

A Plan member who establishes on the basis of a written certification of a qualified medical practitioner who is licensed to practice under the laws of a Province of Canada that his life expectancy has been considerably shortened may elect to receive a lump sum payment equal to the Commuted Value of his accrued pension. If the member elects this option, his spouse, if applicable, must waive her rights to a lifetime benefit, on the prescribed form. The member shall have no further right or entitlement under this Plan.

SPOUSE means, in relation to another person;

- (a) a person who at the relevant time was married to that other person and not living separate and apart from that other person for the two (2) year period immediately preceding the relevant time, or
- (b) if sub-paragraph (a) does not apply
  - (i) a person who at the relevant time lived with that other person as husband and wife for the two (2) year period immediately preceding the relevant time, or
  - (ii) a person of the same gender who at the relevant time lived in a marriage-like relationship with that other person for the two (2) year period immediately preceding the relevant time.

VESTING

A member is entitled to a deferred pension under the Plan after the completion of a certain period of employment or membership under the Plan, and sometimes the attainment of a certain age.

YMPE

The Year's Maximum Pensionable Earnings (YMPE) corresponds to the maximum amount of earnings of an individual that is used to determine the maximum amount of contributions and benefits that must be paid to or from the Canada Pension Plan or the Quebec Pension Plan. The YMPE is updated annually to reflect increases in average wages.

YEAR	YMPE	20% YMPE	10% YMPE	1/12 of 10% YMPE
2001	$38,300.00	$7,660.00	$3,830.00	$319.17
2002	$39,100.00	$7,820.00	$3,910.00	$325.83
2003	$39,900.00	$7,980.00	$3.990.00	$332.50
2004	$40,500.00	$8,100.00	$4,050.00	$337.50
2005	$41,100.00	$8,220.00	$4,110.00	$342.50
2006	$42,100.00	$8,420.00	$4,210.00	$350.83
2007	$43,700.00	$8,740.00	$4,370.00	$364.17
2008	$44,900.00	$8,980.00	$4,490.00	$374.17
2009	$46,300.00	$9,260.00	$4,630.00	$385.83
2010	$47,200.00	$9,440.00	$4,720.00	$393.33

MEMBERSHIP IN THE PENSION PLAN

JOINING THE PLAN

You automatically become a member of this Pension Plan on the first day your employer makes a contribution on your behalf.

You are required to complete a designation of beneficiary card and file it with the Administration Office when your employer registers you in the Plan.

HOW ARE PENSION CREDITS CALCULATED?

The UNITE HERE Local 40 Camp, Culinary and Non-aligned Employees Pension Trust Fund provides retirement income for every eligible member for life, regardless of how long you live or how long you worked as a Union member (assuming you meet the minimum requirements discussed in the **Eligibility for a Pension** section).

The money required to fund the pension is provided entirely by your employer. Members may not self-pay to the Plan. The amount you earn towards your pension every year is calculated using an "actuarial factor" to convert the hours worked to a pension credit. The "actuarial factor" depends on your employer's contribution rate as at March 22, 1996. If your employer's contribution rate as at March 22, 1996 was 9 cents per hour, the actuarial factor is .003115. If your employer's contribution rate as at March 22, 1996 was higher or lower than 9 cents per hour, the actuarial factor is pro-rated accordingly.

Hours worked x actuarial factor = pension credit

You will receive an annual pension statement with details of pension contributions made on your behalf for the reporting year, and your total pension accrued to the date of the statement.

Pension Formula Example

If your employer's contribution rate as at March 22, 1996 was 20 cents, the actuarial factor is:

20 cents / 9 cents x .003115 = .006942

If the total hours worked/earned reported on your behalf in one year is 2,000, your pension calculation for that year is:

2,000 hours worked/earned x actuarial factor = pension credit

2,000 hours x .006942 = $13.88 per month

Based on this example, if you retired at age 65 after working this one year, you would receive an annual pension of $166.56 ($13.88 every month for 12 months) for the rest of your life.

If you worked 20 years and earned this same amount towards your pension every year, you would receive an annual pension of $3,331.20 or $277.60 per month, beginning at age 65:

- Because the number of hours you work will vary every year, and employer contribution rates are renegotiated from time to time, the amount you actually earn toward your pension will also vary every year.

YOUR PENSION

The amount of pension you receive on retirement will depend on the benefit formula for each year of service during the years you are covered by this Plan.

A full year of service is 2,000 or more hours of work in one calendar year.

Example: (assume a full year of service is worked each year to Dec. 31, 2010)

1. *Your employer is required to pay X¢ per hour worked.*

   Your employment began on January 1, 1999, you have 12 years of credited service in the Plan, you are 45 years of age and you expect to work to age 65.

   - your 12 years of service have earned you a monthly pension of $166.56 (12 years x $13.88 per year), payable at age 65 for your lifetime and
   - you expect to earn a further $277.60 (20 years x $13.88) per month in pension credits assuming you work full credit years between age 45 and your 65th birthday.
   - based on your years of expected service to age 65 it is estimated you will be eligible to receive $444.16 per month ($166.56 + $277.60) as pension income from this Plan.

In addition, you may receive Old Age Security and retirement income from the Canada Pension Plan. **(See Other Income Sources)**

WHO PAYS FOR THE PENSION PLAN?

Your pension is one of your benefits of employment. You are not required nor are you permitted to make contributions to this Pension Plan.

Your employer makes contributions to the Plan based on the number of hours you work.

The amount each employer is required to contribute to the UNITE HERE Local 40 Camp, Culinary and Non-aligned Employees Pension Trust Fund is determined by your collective agreement.

Contribution Formula:

Employer Contributions = # Hours Worked in the Year x Hourly Contribution Rate

YOUR PENSION RECORD

Employers provide the Pension Plan Administration Office with most of the information required to keep your record up to date. It is your responsibility to ensure that the Administration Office has your correct Date of Birth, Social Insurance Number, address, etc. The Administration Office will send you a statement of your standing in the Plan once a year so you can satisfy yourself that its records are correct. This statement includes details of the credits you have accumulated toward your pension throughout the reporting year and a summary of your pension credits from previous years.

You should check your annual statement carefully to make sure you have received all your pension credits. If you have questions, or if your own records are not the same as your pension statement, please contact the Administration Office.

CHANGING JOBS

This is a portable pension plan. You can maintain your pension plan membership and carry your pension credits from one employer to another within the hospitality and food service industries, provided each of your employers contributes to this pension plan and reports no less than 350 hours of work during any two consecutive calendar years.

IF YOU MOVE

Send your new address and other contact information to the Administration Office so we can keep in touch with you. **THIS IS EXTREMELY IMPORTANT.** It will ensure that you receive your annual statement and other important pension-related information. Our website has a form for this purpose. If you prefer to use the post office change of address cards, please include your Social Insurance Number.

ELIGIBILITY FOR A PENSION

VESTING OF PENSION CREDITS

To be vested is to have a right or an entitlement to a pension.

Once you are vested, you are eligible for a pension when you reach retirement age, and your spouse (or other beneficiary) is entitled to a death benefit if you die before retiring.

You are vested in the Plan if:

- you have two (2) years of continuous service, or

- you are an active Participant aged 65 or more.

CONTINUOUS PENSION PLAN SERVICE

You are credited with one (1) year of continuous service for each calendar year you receive at least 350 hours for which your employer reported and remitted contributions to the Plan.

BREAKS IN PENSION PLAN SERVICE

You break your service when you receive credit for less than 350 hours in two consecutive calendar years.

DISABLED PARTICIPANTS

If you become totally and permanently disabled you may receive your full accrued pension if you:

- have at least ten years of continuous service, and
- are a Participant who is at least 55 years of age

You must supply medical proof, satisfactory to the Pension Plan Board of Trustees, of your total and permanent disability to the Pension Plan Administration Office.

Your pension will not be reduced because of your age and it will be paid to you for your lifetime.

TERMINATION OF PENSION PLAN MEMBERSHIP

Termination of Pension Plan Membership, under the British Columbia Pension Benefits Standards Act and Regulation, is defined as **"the end of any period of two (2) consecutive calendar years during which the member has not completed at least 350 hours of employment".** The 350 hours of employment is an aggregate not an annual requirement.

The payment of vested pension credits and the form that pension payment will take is governed by the British Columbia Pension Benefits Standards Act and Regulation. The terms of reference for the limits of "locking-in" and "unlocking" vested pension credits are based upon the Year's Maximum Pensionable Earnings (YMPE). Please see the **"Definitions Section"** for the **YMPE**.

Upon Termination of Pension Plan Membership, you have the option to receive your vested pension credits as a monthly payment or a lump sum payment known as a commuted value, depending upon your age at your Termination of Pension Plan Membership Date.

COMMUTED VALUE

The commuted value is the lump sum present value of the pension you earned under the Plan. If you were to put the commuted value in a RRSP and invest it until your retirement, the accumulated funds should provide you with the same pension you earned under the Plan for the remainder of your expected lifetime.

The calculation of the amount of the commuted value depends on the investment return assumed to be earned on the funds transferred from the Plan. The higher the assumed investment return, the lower the amount of the commuted value. Provincial pension regulations prescribe the level of investment return to be used in these calculations. The assumed return is based on the yield available from Government of Canada bonds.

If you choose to transfer your pension out of this Plan, it is recommended that you compare your expectations from this Plan with what the other options will yield.

If you transfer your pension to a Registered Retirement Savings Plan (RRSP), the money is locked in until you are at least 55, (except in cases of shortened life expectancy or non-residency). With a locked-in RRSP, the payout is restricted to a lifetime pension (or annuity) with a 60% survivor benefit for your spouse (if applicable), or to a transfer to a Life Income Fund (see below).

You can transfer your pension to your new employer's plan, if your new plan allows it (many plans will not accept transfers). Determine how much these transferred funds will buy you. Your funds will be locked in on termination or retirement from your new employer.

If you decide to buy an annuity from an insurance company, the amount of the annuity will be determined by the amount you have to invest, your age at the time, the form the annuity is to take, and the interest rate at the time of annuity purchase. You should also determine what happens to your investment if you die before payments begin. (An annuity is an investment which returns you a regular payment – monthly, quarterly, even annually – starting at a specified age. It is like a pension you provide for yourself). Annuities are also subject to legislation requiring a 60% spousal survivor benefit.

To transfer your pension to a Life Income Fund (LIF), you must be at least 55 years old. Once you transfer the money to a LIF you must start withdrawing it within two years.

If you are too young to transfer your pension directly from the Plan to a LIF, you may transfer it to a locked-in RRSP and from there to a LIF when you meet the minimum age requirement.

Your spouse must sign a consent form before you may transfer your pension to a LIF. The LIF is a new investment vehicle which extends the advantages of a RRIF (Registered Retirement Income Fund) to locked-in pension funds. It provides financial flexibility and the deferral of the purchase of a life annuity. With a LIF, you decide how much money you want to withdraw each year, within a specified minimum and maximum. You also retain control of your investment.

If the amount of vested monthly pension credit exceeds one-twelfth (1/12th) of ten per cent (10%) of the Year's Maximum Pensionable Earnings (YMPE) and the Commuted Value of the vested monthly pension credit also exceeds twenty percent (20%) of the YMPE, you are locked in and have the following options dictated by your age:

1. Terminated Vested Plan members younger than age 55, at the date of their plan termination, may select one of the following three options:
   (a) receive a deferred pension (unreduced) to commence at age 65, or
   (b) receive a deferred pension (reduced) to commence as early as age 55. Monthly pension credits will be reduced by .5% (6% per year) for each month pension commencement precedes age 65, or
   (c) transfer the commuted value of their vested pension credits to a "locked-in" registered funding vehicle.

2. Terminated Vested Plan members attaining age 55, but younger than age 65 at the date of their membership termination from this Plan, may select one of the following two options:
   (a) receive a deferred pension (unreduced) to commence at age 65, or
   (b) receive a deferred pension (reduced) to commence as early as age 55. Monthly pension credits will be reduced by .5% (6% per year) for each month pension commencement precedes age 65.
3. Terminated Vested Plan members, age 65 or older at the date of their Plan termination, may commence receiving their unreduced monthly pension payments immediately. Alternatively, the member may defer commencement of the pension, but must commence their unreduced monthly pension payment no later than December 1st in the calendar year of their 71st birthday.

If the amount of a vested monthly pension credit does not exceed one-twelfth (1/12th) of ten percent (10%) of the Year's Maximum Pensionable Earnings (YMPE) and/or the Commuted Value of the vested monthly pension credit does not exceed twenty percent (20%) of the YMPE, you are not locked-in and therefore have the following options dictated by your age:

1. receive a monthly pension from the Plan, or
2. transfer the commuted value of your pension to a "locked-in" RRSP, or
3. transfer the commuted value of your pension to a "non-locked-in" RRSP, or
4. receive the commuted value of your vested pension as a cash lump sum.

You cannot take the money in cash unless the commuted value available is less than $8,980 (for 2008) or your deferred monthly pension is less than $374.17 per month (for 2008).

If you leave your pension in this Pension Plan, you will be eligible for a full pension at age 65 or a reduced pension any time after age 55.

If you elect to transfer the commuted value of your pension you will assume the responsibility of investing the funds to provide for your retirement. You will have no further entitlement to any pension benefits from this Pension Plan; nor will your spouse receive any benefits from this Pension Plan after your death.

If you are not vested when you break service, you lose all your pension credits and you are not eligible for a retirement pension. If you subsequently return to work for an employer that participates in the Plan, you start building pension credits again as if you were not previously a member of this Plan.

If you are vested, break your service, leave your pension in the Plan and subsequently return to work for an employer that participates in the Plan, you are immediately vested and your retirement pension will be based on your credited service both before and after the break.

If you transfer your commuted value when you break service, and subsequently return to work for an employer that participates in the Plan, you start building your pension credits again as if you were never previously a member of this Plan and you must again satisfy the vesting requirement of the Plan.

DEATH BEFORE RETIREMENT

If you are vested and die before retiring, the Plan will pay a death benefit to your spouse **(See Definitions).** Your spouse may waive the right to this benefit by completing a “spousal waiver” document acceptable to the Pension Plan Board of Trustees.

If you do not have a spouse or if your spouse has completed a “spousal waiver”, the death benefit goes to the beneficiary you designate or to your legal personal representative. You are asked to designate your beneficiary when you join the Plan.

Benefits are also payable in the event of the death before retirement of a terminated member who was vested when he or she broke service, and who left his or her pension in the Plan.

A. <u>Death Prior to Age 55</u>:

If you are vested and you die prior to attaining age 55, your spouse, or if you have no spouse or if your spouse has completed a “spousal waiver”, your designated beneficiary, or if you have no designated beneficiary, your legal personal representative, will be entitled to receive a payment of 60% of the commuted value of your vested pension credits.

B. <u>Death After Age 55</u>:

If you die after attaining age 55, and you have not commenced receiving pension benefits, your spouse, or if you have no spouse or if your spouse has completed a “spousal waiver”, your designated beneficiary, or if you have no designated beneficiary, your legal personal representative, will be entitled to receive payment of 60% of the commuted value of your vested pension credits.

Example: You have been a Plan Member since 1995 and your earned vested pension is $350 per month. If you die at age 58 prior to commencing your pension benefit, your spouse or in the absence of a spouse or if your spouse has completed a “spousal waiver”, your designated beneficiary or legal representative will receive sixty percent (60%) of the commuted value of your vested pension of $350.

RETIREMENT – APPLYING FOR YOUR PENSION

You must apply for your pension; it does not begin automatically. Application forms are available from the Administration Office. Trustees recommend you apply approximately three months before you plan to retire as your retirement date cannot be established retroactively.

Your retirement date is always the first day of a month and your pension will not be payable earlier than the first day of the month following the month in which your application is received at the Pension Plan Administration Office.

In addition to the application form, you will need your Certificate of Birth or other proof of age, and if you have a spouse, your spouse's Certificate of Birth. If you or your spouse no longer use the names on your Certificate of Birth, you will also need a marriage certificate or other proof of name change. Please send notarized copies of these documents, not the original documents.

Acceptable proof-of-age documents include:

- Canadian Certificate of Birth
- Passport or landed immigrant certificate
- Quebec baptismal certificate
- Canadian citizenship certificate

A pension must commence no later than December 1st of the calendar year in which a member or former member who is to receive it attains the age of 71 years.

EARLY RETIREMENT

The Normal Retirement Age of this Pension Plan is sixty-five (65), however a member who terminates his membership and who has an entitlement to receive a vested pension, may commence to receive such pension, at any time on or after the date that is ten (10) years prior (age 55) to reaching age 65, but reduced by 6% per year (.5% per month) for early commencement.

A pension that commences before the Normal Retirement Age (65) will be reduced in comparison with what would have been payable had it commenced at age 65.

The following table illustrates the percentage of an unreduced pension that would be payable at various early retirement ages.

Early Retirement Reductions

Age pension begins	**Percentage of pension payable**
55	40%
56	46%
57	52%
58	58%
59	64%
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

If you broke service before retiring, you will receive a pension from the Plan provided

- you left your pension in the Plan and
- you were vested at the time you broke service.

Your pension will be based on your years of service and a benefit formula for each year of service.

Example of Retirement Prior to Age 65, the Normal Retirement Age:

Assume you have earned a monthly vested pension of $350, payable at age 65, but you wish to retire early at age 57.

Monthly pension credits are reduced by .5% (6% per year) for each month pension commencement precedes age 65, the Normal Retirement Age of this Pension Plan.

As age 57 is eight years earlier than age 65, fifty-two (52%) of your pension payable at age 65 ($350) is payable at age 57 or, $182.

(a)	Normal pension (payable at age 65)	$350
(b)	Early Retirement reduction (payable at age 57)	x 52%
(c)	Early Retirement pension commencing at age 57	$182

YOUR PENSION BENEFICIARY

Your pension beneficiary must be your spouse if you have one **(See Definitions).** Your spouse may waive the right to be your beneficiary by completing a "spousal waiver" document acceptable to the Pension Plan Board of Trustees.

If you have no spouse or if your spouse has completed a "spousal waiver", your beneficiary may be a child, another relative or a friend. You may also name your estate as your beneficiary. The Administration Office requires a declaration as proof you have no spouse or a completed "spousal waiver" form.

If you wish to name a child under the age of 19 as your beneficiary, you should designate a trustee to receive the benefits. The law does not permit children to receive pension benefits or insurance settlements until they are age 19. Such benefits would have to be dealt with by the Court.

If you do not have a spouse or if your spouse has completed a "spousal waiver", you may change your beneficiary at any time before you retire, or even after you retire if the guaranteed term has not expired. If you have a spouse, that spouse is your beneficiary before retirement, and will remain as your beneficiary after your retirement unless he or she signs a waiver form when you retire. If on retirement your spouse is your beneficiary, you cannot change your beneficiary.

PENSION OPTIONS AVAILABLE TO RETIRING MEMBERS

Before you retire you must make choices that will:

- affect the amount of your pension payment, and
- determine who will receive it.

The basic pension under each option will be paid to you for as long as you live. The amount (if any) that continues to be paid to another person after your death depends on the option you select.

WHAT IS OPTIONAL?

You can decide:

- who your pension will cover, and
- how long it will be paid after your death.

For example, you may choose a pension that covers your life only, or you may choose one that jointly covers your life and the life of your spouse. Also, you can choose to guarantee the payments for a specific period of time so that they may continue (fully or partially) to your beneficiary after your death.

WHAT IS NOT OPTIONAL?

If you have a spouse, you must choose a payment option that guarantees at least sixty percent (60%) of your pension will continue to your spouse if you die first. This is mandatory under British Columbia law unless your spouse waives the right to this provision by signing a spousal waiver.

1. <u>SINGLE LIFE PENSION</u>:

This retirement pension option is available only to retiring Plan members who do not have a spouse or whose spouse has waived their pension entitlement by completing a “spousal waiver” document acceptable to the Pension Plan Board of Trustees.

A Single Life Pension is paid monthly to the retired Plan member for life with a guaranteed minimum payment period of five (5) years (60 monthly payments).

Should the retired Plan member die prior to the end of the 5 year guaranteed minimum payment period, the beneficiary or the estate of the deceased will have the choice of one of the following options:

(a) Continue to receive the monthly pension payments for the balance of the 5 year guaranteed payment period, or
(b) Receive an actuarially calculated lump sum payment representing the balance of the 5 year guaranteed payment period.

Should the retired Plan member die after receiving 60 or more monthly pension payments (the 5 year guaranteed minimum payment period), no further payments are made from the Plan.

Example:

A retired member dies after receiving a monthly pension for 3 years and 3 months (39 monthly pension payments).

The beneficiary or the estate of the deceased can choose to receive the remaining 21 monthly pension payments (60 less 39) or a lump sum payment representing the 21 remaining monthly payments.

Effective January 1, 2009 SINGLE LIFE PENSION:

This retirement pension option is available only to retiring Plan members who do not have a spouse or whose spouse has waived their pension entitlement by completing a "spousal waiver" document acceptable to the Pension Plan Board of Trustees.

A Single Life Pension is paid monthly to the retired Plan member for life with a guaranteed minimum payment period of five (5) years (60 monthly payments).

Should the retired Plan member die prior to the end of the 5 year guaranteed minimum payment period, the beneficiary or the estate of the deceased will have the choice of one of the following options:

(a) Continue to receive the monthly pension payments for the balance of the 5 year guaranteed payment period, or
(b) Receive an actuarially calculated lump sum payment representing the balance of the 5 year guaranteed payment period.

Should the retired Plan member die after receiving 60 or more monthly pension payments (the 5 year guaranteed minimum payment period), no further payments are made from the Plan.

Example:

A retired member dies after receiving a monthly pension for 3 years and 3 months (39 monthly pension payments).

The beneficiary or the estate of the deceased can choose to receive the remaining 21 monthly pension payments (60 less 39) or a lump sum payment representing the 21 remaining monthly payments.

2. JOINT LIFE or SURVIVOR'S PENSION:

This retirement pension option is mandatory for all retired Plan members who have a spouse unless the spouse has completed a "spousal waiver" document acceptable to the Pension Plan Board of Trustees.

If the spouse completes a "spousal waiver" document, therefore renouncing their entitlement to the pension, the retirement pension is treated by the Plan as a "Single Life Pension" as described above.

However, if the spouse of the retired member has not completed the "spousal waiver" document, the monthly retirement pension payments are directed to the retired member for life and upon the death of the retired member, 60% of the monthly pension continues to be paid to the spouse for life.

The monthly pension payments under this pension option are reduced actuarially to reflect the expected longer payment period for the joint lives of the retired member and the spouse.

Upon the death of both the retired Plan member and the spouse of the retired member, the monthly retirement pension payments cease.

There is no minimum guaranteed payment period with the "Joint Life or Survivor's Pension" option.

Example:
A retired member with a monthly pension payment of $300 and a spouse who has not completed the "spousal waiver" document dies.
The spouse will receive a monthly pension payment of $180 (60% of $300) for life.

PENSION PAYMENTS

Pensions are paid in advance; that is, payments are made on the first day of the month, for that month. (Canada and Old Age Pensions are paid in arrears; that is, at the end of the month, for that month).

Your first pension cheque may be payable the first day of the month following the month the Pension Plan Administration Office receives your signed application. If you prefer, you may stipulate a later start date, but you cannot receive your pension retroactively.

DIVORCED OR SEPARATED MEMBERS

If you are divorced or separated from your spouse, a court order or separation agreement under the Family Relations Act may require you to give a portion of your retirement pension to your former spouse.

If you have not commenced receiving a monthly pension, your former spouse may elect to transfer the commuted value of her portion of the assigned pension credits or to delay the pension division until you begin to receive a benefit payment from the Plan.

If you are already in receipt of a pension from the Plan, the monthly pension payments will be divided.

If this applies to you, you must send a copy of the court order or agreement to the Pension Plan's Administration Office so that your pension benefits and those of your former spouse can be correctly calculated.

Once division of a pension has taken place, your records will be adjusted for the pension credits assigned to your former spouse.

If the court order or agreement does not require a division of your pension, you are free to make your option choice, subject to pension legislation.

RETURNING TO WORK AFTER RETIRING

Retired members receiving a monthly pension from this Plan who return to work with a participating employer(s) in this Plan have the choice of one of the following two options regarding their monthly retirement pension payments:

(a) Continue to receive the monthly pension but accrue no additional pension credits, or
(b) Suspend their monthly retirement pension payments during the period of re-employment and upon the resumption of retirement receive an adjusted monthly pension which will consist of the original pension amount, with the applicable "early retirement" reduction, plus the additional pension credits earned during the re-employment period.

    Pension payments must commence by December 1st of the calendar year in which age 71 is attained regardless of employment status.

A retired member receiving a monthly pension from this Plan who is age 71 or older at the time of re-employment with a participating employer, will not be eligible for the option to suspend monthly pension payments and earn additional monthly pension credits.

Monthly pension payments will continue to be paid at the same level that existed prior to re-employment.

OTHER SOURCES OF RETIREMENT INCOME

Your pension from this Plan is only one source of retirement income. Other sources include Old Age Security, Canada Pension Plan, and income from personal investments such as RRSP's.

Old Age Security. You will begin to receive this government pension at age 65, but you must apply for it. This pension benefit is adjusted every three months to keep pace with the cost of living. The length of time you have lived in Canada determines whether you receive the full benefit or some percentage of it. There are only two requirements for this pension: age and Canadian residency.

Canada Pension Plan (CPP). You may begin to receive this government pension at retirement any time after your 60th birthday. You must apply for it. The amount you receive depends on the number of years you contributed to the Canada Pension Plan, your annual earnings, and your age at retirement. The benefit is reduced by six percent for each year you are under 65. Canada Pension Plan payments are adjusted annually.

Spouse's income. Your spouse may qualify for Old Age Security and may also qualify for a pension from the Canada Pension Plan and a pension from his or her employment.

Personal investments. Personal investments like RRSP's, Canada Savings Bonds, or term deposits may add to your retirement income.

FOR MORE INFORMATION

A. **<u>Federal Government Booklets:</u>**

Human Resources Development Canada publishes several documents about the Old Age Security (OAS) programs and the Canada Pension Plan (CPP).
Old Age Security program publications can be viewed and printed online at:
www.hrdc-drhc.gc.ca/isp/pub/oaspub_e.shtml
Canada Pension Plan (CPP) publications can be viewed and printed online at:
www.hrdc-drhc.gc.ca/isp/pub/cpppub_e.shtml

All publications can be ordered by phoning 1-800-277-9914.

B. **<u>Canada Revenue Agency (CRA) Tax Guide:</u>**

Canada Revenue Agency (CRA) offers a tax guide called "When You Retire". This document can be viewed and printed online at:
www.ccra-adrc.gc.ca/E/pub/tg/p119/p119-e.html

Other Canada Revenue Agency (CRA) Forms and Publications can be viewed and printed online at: ***www.ccra-adrc.gc.ca***
or a printed Form or Publication can be ordered by phoning 1-800-959-2221 or by visiting a CRA office.